

GREENOCK RESOURCES INC.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Greenock Resources Inc.

We have audited the accompanying financial statements of Greenock Resources Inc. which comprise the statement of financial position as at December 31, 2014, and the statements of comprehensive loss, cash flows, and changes in equity for the year then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Greenock Resources Inc. as at December 31, 2014, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the ability of Greenock Resources Inc. to continue as a going concern.

Other Matter

The financial statements of Greenock Resources Inc. as at December 31, 2013 and for the year then ended were audited by another firm of independent auditors who expressed an unmodified opinion on those statements in their report dated April 29, 2014.

"JACKSON & COMPANY"

CHARTERED ACCOUNTANTS

Vancouver, British Columbia
April 30, 2015

GREENOCK RESOURCES INC.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	As at December 31, 2014	As at December 31, 2013
	\$	\$
ASSETS		
Current Assets		
Cash and cash equivalents	316,047	4,090
Sundry receivables	16,928	3,534
Total current assets	332,975	7,624
Non-current Assets		
Property, plant and equipment (note 6)	-	3,598
Exploration and evaluation assets (note 8)	1	208,968
Total non-current assets	1	212,566
TOTAL ASSETS	332,976	220,190
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current Liabilities		
Accounts payable and accrued liabilities (note 7)	111,514	310,087
Promissory note payable (note 11)	-	265,900
Loan payable to related party (note 7)	-	15,820
Total liabilities	111,514	591,807
Shareholders' Deficiency		
Share capital (note 9(a))	12,209,438	11,648,383
Reserves for warrants (note 9(c))	275,835	23,157
Equity settled share based reserves	4,844,508	4,844,508
Other comprehensive income	40,975	50,353
Accumulated deficit	(17,149,294)	(16,938,018)
Total shareholders' deficiency	221,462	(371,617)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY	332,976	220,190

Nature of Business and Going Concern (note 1)
Subsequent events (note 15)

The accompanying notes are an integral part of these consolidated financial statements.

Approved on Behalf of the Board of Directors:

/s/ Mike Blady
Director

/s/ Ryan Cheung
Director

GREENOCK RESOURCES INC.
Consolidated Statements of Loss and Other Comprehensive Income
(Expressed in Canadian Dollars)

	For the years ended	
	December 31	
	2014	2013
	\$	\$
Expenditures		
General and administrative expenses (<i>note 14</i>)	(267,651)	(122,858)
Income (loss) before the undernoted	(267,651)	(122,858)
Gain on settlement of debt (<i>note 11</i>)	189,838	-
Write-off of exploration and evaluation assets (<i>note 8</i>)	(129,865)	-
Write-off of property, plant and equipment (<i>note 6</i>)	(3,598)	-
Net income (loss) for the period	(211,276)	(122,858)
Other comprehensive income		
Items that will be reclassified subsequently to net loss		
Foreign exchange translation of foreign subsidiary	(9,378)	(17,097)
Total comprehensive income (loss) for the year	(220,654)	(140,765)
Basic and diluted income (loss) per share (<i>note 9(d)</i>)	(0.05)	(0.00)
Weighted average shares outstanding (<i>note 9(d)</i>)	4,586,489	1,148,028

The accompanying notes are an integral part of these consolidated financial statements.

GREENOCK RESOURCES INC.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

For the year ended December 31	2014	2013
	\$	\$
Cash flow from operating activities		
Net income (loss) for period	(211,276)	(122,858)
Items not involving cash:		
Depreciation	-	1,111
Gain on settlement of debt	(189,838)	-
Unrealized foreign exchange gain	(9,378)	113
Write-off of exploration and evaluation assets	129,865	-
Write-off of property, plant and equipment	3,598	-
	(277,029)	(121,634)
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	(198,573)	64,649
Due to related parties	(15,820)	-
Prepaid expenses	-	15,676
Sundry receivables	(13,392)	11,165
Net cash flows used in operating activities	(504,814)	(30,144)
Investing activities		
Exploration and evaluation expenditures	-	(20,084)
Financing activities		
Loan payable to related party	-	15,820
Gross proceeds from private placement	925,000	25,000
Finder's fees paid in cash	(86,700)	-
Share issuance cost paid in cash, net	(21,529)	(2,600)
Net cash flows from financing activities	816,771	18,136
Increase (decrease) in cash and cash equivalents during the period	311,957	(12,008)
Cash and cash equivalents, beginning of period	4,090	16,098
Cash and cash equivalents, end of period	316,047	4,090

The accompanying notes are an integral part of these consolidated financial statements.

GREENOCK RESOURCES INC

Consolidated Statements of Changes in Shareholders' Deficiency

For the years ended December 31, 2014 and 2013

(Expressed in Canadian Dollars)

	Share capital	Share capital	Equity settled share-based reserves	Reserves for warrant	Other comprehensive income	Accumulated deficit	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at December 31, 2012	33,139,470	11,636,558	4,844,508	12,582	68,260	(16,815,160)	(253,252)
Issued on private placement	5,000,000	25,000	-	-	-	-	25,000
Value of warrants	-	(9,375)	-	9,375	-	-	-
Share issue costs	-	(3,800)	-	1,200	-	-	(2,600)
Foreign exchange translation	-	-	-	-	(17,907)	-	(17,907)
Net loss for the period	-	-	-	-	-	(122,858)	(122,858)
Balance at December 31, 2013 (pre consolidation)	38,139,470	11,648,383	4,844,508	23,157	50,353	(16,938,018)	(371,617)
Balance at December 31, 2013 (post consolidation)	1,271,316	11,648,383	4,844,508	23,157	50,353	(16,938,018)	(371,617)
Shares issued on settlement of debt	33,334	5,000	-	-	-	-	5,000
Shares issued on private placement	9,250,000	925,000	-	-	-	-	925,000
Value of attached warrants	-	(228,299)	-	228,299	-	-	-
Share issue costs – finder units	867,000	(24,379)	-	24,379	-	-	-
Share issue costs – finder fees	-	(86,700)	-	-	-	-	(86,700)
Share issuance costs paid in cash, net	-	(29,567)	-	-	-	-	(29,567)
Foreign exchange on translation	-	-	-	-	(9,378)	-	(9,378)
Net loss for the period	-	-	-	-	-	(211,276)	(211,276)
Balance at December 31, 2014	11,421,650	12,209,438	4,844,508	275,835	40,975	(17,149,294)	221,462

The accompanying notes are an integral part of these consolidated financial statements.

1. Nature of Business and Going Concern

Nature of business

Greenock Resources Inc. (the “Company” or “Greenock”) was incorporated on October 28, 2003 under the Ontario Business Corporations Act. On September 29, 2009, the Company received approval from the TSX Venture Exchange to change its name from Simberi Gold Corporation to Greenock Resources Inc. The Company’s main business is the exploration and evaluation of mining projects in the United States of America and in the Democratic Republic of Congo. In the course of its business the Company evaluates and reviews a number of potential base and precious metal projects throughout the world. To date, the Company has not earned revenues from its projects and is considered to be in the exploration stage.

The primary office of the Company is located at 605-815 Hornby Street, Vancouver, B.C. V6Z 2E6.

The Company was transferred to the NEX Board of the TSX Venture Exchange effective opening March 3, 2014.

Going concern assumptions

The Company is in the exploration stage and is subject to risks and challenges similar to other companies in a comparable stage of exploration. These risks include, but are not limited to, dependence on key individuals, successful exploration and the ability to secure adequate financing to meet the minimum capital required to successfully complete the projects and continue as a going concern. The Company will have to raise additional funds to continue operations. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or available under terms favourable to the Company.

These successive operating losses together with the challenges of securing requisite funding beyond the next twelve months, may lend significant doubt as to the Company’s ability to continue as a going concern and accordingly use of accounting principles applicable to a going concern. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and presentation that would be necessary should the going concern assumption be inappropriate, and those adjustments could be material.

2. Basis of Presentation and Statement of Compliance

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended December 31, 2014. The policies set out below are based on IFRS issued and outstanding as of April 30, 2015, the date the Board of Directors approved the statements.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

Basis of presentation

The financial statements were authorized for issue by the Board of Directors on April 30, 2015.

These consolidated financial statements have been prepared on a historical cost basis except for cash and cash equivalents that have been measured at fair value. In addition these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Basis of consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries (together as the "Group") as follows:

	<u>Jurisdiction</u>	
Arrowhead Gold Inc. (iii)	United States	100% owned
Alive International Holdings (iii) (inactive)	United States	100% owned
Optima Pharmaceuticals Inc. (iii) (inactive)	Canada	100% owned
New Congo Resources Development Company Inc. (iii)	Canada	100% owned
PTM Minerals (Cayman) Ltd. (ii)	Cayman	100% owned
PTM Minerals (Congo) Ltd. (i)	Congo	100% owned

- (i) PTM Mineral (Congo) Ltd. is 100% owned by PTM Minerals (Cayman) Ltd.
- (ii) PTM Minerals (Cayman) Ltd. is 100% owned by New Congo Resources Development Company Inc.
- (iii) Companies that are 100% owned by Greenock Resources Inc. (the parent company of the Group)

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the Group's consolidated financial statements.

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of the Company's activities in Canada is the Canadian dollar. The functional currency of the Company's subsidiaries in the United States and in the Democratic Republic of Congo is the U.S dollar. The consolidated financial statements are presented in Canadian dollars which is the group's presentation currency.

3. Significant Accounting Policies

Significant accounting estimates and judgments

The preparation of these consolidated financial statements using the accounting policies in accordance with IFRS requires management to make judgments and estimates that affect the reported amounts of assets and liabilities and the disclosure of contingent asset and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The consolidated financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant assumptions about the future and other sources of judgments and estimates that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- the assessment of indications of impairment of exploration and evaluation assets;
- the recoverability of exploration and evaluation assets when impairment indicators are identified;
- the inputs used in accounting for share based payment expense;
- the recoverability of amounts receivable; and
- the estimated useful lives and residual value of property, plant and equipment (“PPE”) and the related depreciation.

Income taxes and recovery of deferred tax assets

Tax interpretations, regulations and legislation in the various jurisdictions in which the Company and its subsidiaries operate are subject to change and interpretation. As such, income taxes are subject to measurement uncertainty. The Company follows the liability method for calculating deferred taxes. Assessing the recoverability of deferred tax assets requires the Company to make significant estimates related to the expectations of future taxable income from operations and the application of existing tax laws. To the extent that taxable income differ significantly from estimates, the ability of the Company to realize the deferred tax assets and liabilities could be impacted. Additionally, changes in tax laws could limit the ability of the Company to obtain tax deductions in the future.

Decommissioning liability

These would be made based on pre-tax discounting of the estimated future settlement amounts. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the provision required for decommissioning as a result of contamination and damages, if any, caused by exploration and evaluation activities. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed quarterly and are based on current regulatory requirements. Significant changes in estimates will result in changes to liability on a quarterly basis.

The Company estimates there is no decommissioning liability as of December 31, 2014.

Functional currency

Management has to make judgment in determining the functional currency of the parent company as Canadian Dollars and US\$ for its US subsidiaries and the subsidiaries in Cayman Islands and in the Democratic Republic of Congo.

3. Significant Accounting Policies (continued)

Significant accounting estimates and judgments (continued)

Going concern assumption

Going concern presentation of the consolidated financial statements which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.

Exploration and evaluations assets and equipment

Exploration and evaluation expenditures

The Company may hold interests in mineral property interests in various forms, including prospecting licenses, exploration and exploitation concessions, mineral leases and surface rights, and property options. The Company capitalizes payments made in the process of acquiring legal title to these properties. Mineral property interest acquisition costs are recorded at historical cost. Exploration and evaluation expenditures incurred on properties prior to obtaining legal rights to explore the specific area are charged to operations as incurred.

The carrying values of exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The carrying value of equipment is reviewed for indications of impairment at each reporting date. When impairment indicators exist, the asset's recoverable amount is estimated. If it is determined that the estimated recoverable amount is less than the carrying value of an asset, then a write-down is made with a charge to operations.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. Any reversal of impairment cannot increase the carrying value of the asset to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Equipment

Equipment is stated at cost less accumulated amortization and accumulated impairment losses. Estimates of residual values, useful lives and methods of amortization are reviewed each reporting year, and adjusted prospectively if appropriate.

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is recognized, using the asset and liability method, on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized

3. Significant Accounting Policies (continued)

Income taxes (continued)

Deferred income tax (continued):

only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related asset along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. The

Company currently has no measurable obligations for restoration and environmental costs.

Share-based payments

The Company grants stock options to buy common shares of the Company through its stock option plan. The Company accounts for share-based payments using the fair value method. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to reserves. The fair value of options is determined using the Black-Scholes Option Pricing Model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

The Company grants stock options that are subject to various vesting terms. Under IFRS, the fair value of each instalment of the award is considered a separate grant based on the vesting period with the fair value of each instalment determined separately and recognized as compensation expense over the term of its respective vesting period.

3. Significant Accounting Policies (continued)

Financial instruments

The Company classifies financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), loans and receivables, held-to-maturity investments, available-for-sale and financial liabilities. The classification depends on the purpose for which the financial instruments were acquired or issued. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They would be included in current assets, except for maturities greater than 12 months after the end of the reporting period. These would be classified as non-current assets. The Company has classified cash and amounts receivable as loans and receivables.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments would be included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. The Company has no held-to-maturity investments.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets to the extent they are expected to be realized within 12 months after the end of the reporting period. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary financial assets.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether impairment has arisen.

Accounts payable and accrued liabilities, loans and due to related parties are classified as other liabilities at amortized cost. The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instruments.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired. Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost.

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends to either settle on a net basis or to realize the assets and settle the liability simultaneously.

The Company does not have any material derivative financial assets and liabilities.

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly;
- Level 3 – Inputs that are not based on observable market data.

Loss per share

Basic loss per share is calculated by dividing the net earnings available to common shareholders divided by the weighted average number of common shares outstanding during the year. The diluted earnings per share are calculated based on the weighted average number of common shares outstanding during the year, plus the effects of the dilutive common share equivalents. This method requires that the dilutive effect of outstanding options and warrants issued be calculated using the treasury stock method. This method assumes that all common share equivalents have been exercised at the beginning of the year (or at the time of issuance, if later), and that the funds obtained thereby were used to purchase common shares of the Company at the average trading price of common shares during the year.

Accounting standards issued but not yet effective

New standard IFRS 9 – 'Financial instruments'

This new standard is effective for annual periods beginning on or after January 1, 2018, addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income, unless this creates an accounting mismatch. In addition, the new standard plans to bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements. The Company is yet to assess IFRS 9's full impact. The Company will also consider the impact of the remaining phases of IFRS 9 when completed by the Board.

4. Capital Management

The Company manages its capital with the following objectives:

- (i) To ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- (ii) To maximize shareholder return.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and evaluation of mineral properties. The capital of the Company consists of share capital, reserves for warrants, equity settled share based reserves, other comprehensive income, and accumulated deficit. The Board of Directors does not establish quantitative return on capital criteria for management,

4. Capital Management (continued)

but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage. As such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and will have to raise additional amounts as needed. There can be no assurance that the Company will be able to continue to meet its funding requirements in this manner. The Company will continue to assess new properties and seek to acquire an interest in additional properties that would be accretive and meaningful to the Company.

The Company prepares annual expenditure budgets on its exploration and evaluation assets, when applicable, that are updated as necessary depending on various factors, including, but not limited to source and use of capital and general industry conditions. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year ended December 31, 2014.

Neither the Company nor its subsidiaries is subject to externally imposed capital requirements.

5. Acquisition of New Congo Resources Development Inc.

On December 21, 2005, the Company acquired 66.67% of the outstanding common shares of New Congo Resources Development Inc. ("New Congo"), a company incorporated in Canada, with mining interests in the Democratic Republic of Congo through its subsidiaries, for \$100,000 cash.

On May 18, 2006 the Company acquired the remaining 33.33% outstanding common shares of New Congo from Quatern Holdings Inc. ("Quatern") with a cash payment of \$100,000 and the issuance of 800,000 common shares of Greenock at a deemed price of \$2.50 per share for a total of \$2,000,000.

The total consideration of \$2,100,000 paid for the 33.33% interest in New Congo created a \$2,050,174 purchase price discrepancy. This purchase price discrepancy represents the excess of the cost over the net of the amounts assigned to the assets acquired and the liabilities assumed. As at December 31, 2006, the Company determined that the \$2,050,174 carrying value of goodwill was not recoverable and consequently charged the carrying value as impairment of goodwill to the consolidated statements of loss.

As at December 31, 2011 the Company wrote down this investment to \$10,000, which is the fair value less disposal costs of the Kakanda project.

As at December 31, 2014, the Company further write down this investment by \$10,000 to \$nil due to poor economic conditions and commodity pricing affecting the industry.

6. Property, Plant and Equipment

	Computer equipment	Office furniture	Leasehold improvements	Total
Cost	\$	\$	\$	\$
December 31, 2012	17,468	12,820	6,270	36,558
Additions	-	-	-	-
Dispositions	-	-	-	-
December 31, 2013	17,468	12,820	6,270	36,558
Additions	-	-	-	-
Dispositions	-	-	-	-
December 31, 2014	17,468	12,820	6,270	36,558
Accumulated depreciation				
December 31, 2012	16,306	9,273	6,270	31,849
Depreciation	506	605	-	1,111
December 31, 2013	16,812	9,878	6,270	32,960
Write-off of property, plant and equipment	656	2,942	-	3,598
December 31, 2014	17,468	12,820	6,270	36,558
Carrying amounts				
December 31, 2013	656	2,942	-	3,598
December 31, 2014	-	-	-	-

7. Related Party Disclosures

The Company entered into the following transactions with related parties:

- a) Paid or accrued consulting fees of \$13,000 (2013 - \$Nil) to Midland Management Ltd., company owned by CFO and director of the Company. As at December 31, 2014, amount payable to Midland Management Ltd. was \$Nil (2013 - \$Nil).
- b) At December 31, 2014, the amount payable to Ryan Cheung, CFO and director of the Company, was \$1,178 (2013 - \$Nil) for expenses incurred on behalf of the Company.
- c) Paid or accrued consulting fees of \$28,000 (2013 - \$Nil) to Tank Enterprises Ltd., company owned by CEO and director of the Company. At December 31, 2014, the amount payable to Tank Enterprises Ltd. was \$Nil (2013 - \$Nil).
- d) Paid or accrued management and consulting fees of \$50,000 (2013 - \$30,000) to James Hershaw, former CFO and director of the Company. At December 31, 2014, the amount payable to him was \$Nil (2013 - \$90,000).
- e) Paid or accrued management and consulting fees of \$Nil (2013 - \$30,000) to former CEO and director of the Company. At December 31, 2014, the amount payable to him was \$Nil (2013 - \$15,820).
- f) Paid or accrued management fees of \$Nil (2013 - \$101,700) to Porphyry Inc., a company owned by former CEO and director of the Company.
- g) During the year ended December 31, 2014, the Company received rental income in the amount of \$Nil (2013 - \$12,000) from Strike Minerals Inc. ("Strike") for subleasing a part of its office space. Mike Newbury was the CEO of Strike and former CEO of Greenock Resources Inc.

Related party transactions are considered to be in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties

8. Exploration and Evaluation Assets

For the year ended December 31, 2014, accumulated costs with respect to the Company's interests in mineral properties owned, leased or under option, consisted of the following:

	Balance December 31, 2012	Additions	Balance December 31, 2013	Additions/ Disposition	Balance December 31, 2014
New Congo property (i)					
Acquisition cost	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ 10,000
Write-off of property	-	-	-	(10,000)	(10,000)
Carrying value of mineral property	\$ 10,000	\$ -	\$ 10,000	\$ (10,000)	\$ -
Needles project (ii)					
Acquisition costs	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ 100,000
Miscellaneous	78,884	20,084	98,968	725	99,693
Disposition on settlement of debt	-	-	-	(79,827)	(79,827)
Write-down of property	-	-	-	(119,865)	(119,865)
Carrying value of mineral property	\$ 178,884	\$ 20,084	\$ 198,968	\$ (198,967)	\$ 1
Mining interests	\$ 188,884	\$ 20,084	\$ 208,968	\$ (208,967)	\$ 1

- (i) Greenock through its wholly owned subsidiary, PTM Minerals (Cayman) Ltd. ("PTM"), has a 51% interest in the Kakanda Copper-Cobalt Property. PTM has an agreement with La Générale des Carrières et des Mines ("Gecamines"), the Congo's state mining company. The Kakanda Copper-Cobalt Property is currently held under a permit (Permis d'Exploitation No 469) issued in the name of Gecamines by which the concession was transferred to PTM after completion of a feasibility study in 1997. Greenock acquired PTM through the acquisition of New Congo.

During 2011 the Company was informed of events in the DRC by Eurasian Natural Resources Corporation ("ENRC") that challenges the mineral rights of PTM.

Due to poor economic conditions and commodity pricing affecting the industry, the Company recorded a write-down of \$10,000.

- (ii) During 2009, Greenock, through its wholly owned subsidiary Arrowhead Gold Inc. acquired 100% of the Needles project from District Gold Inc. (a private company) in exchange for \$100,000. A portion of the consideration (\$53,442) was paid with common shares of Greenock (534,420 common shares at \$0.10 per share). District retained a 2% Net Smelter Royalty ("NSR") on the Needles property with Greenock retaining the right to re-acquire a 1% NSR. On the third anniversary of the transaction, subject to proper notice, District had an option to buy back the Needles property for \$30,000 subject to Greenock's right to cancel this buy back option with a payment of \$1,000,000. The Needles project is located in the state of Nevada.

On March 11, 2013, Greenock announced District had not met the conditions of proper notice or deposited the option payment within the defined time period to exercise its Buy-out option of the Needles property. Greenock is evaluating the future strategies to advance exploration on the Needles property.

8. Exploration and Evaluation Assets (continued)

On March 24, 2014, the TSX Venture Exchange has accepted for filing, a letter agreement dated March 17, 2014, between the Company and Precious Metals Investments Limited ("PMI"), whereby the parties have completed a settlement arrangement for a US \$250,000 Promissory Note held by the Company's wholly owned subsidiary PTM Minerals (Cayman) Ltd. to PMI. The settlement includes: (a) the issuance of 33,334 common shares at a deemed price of \$0.15; (b) an assignment to PMI of a direct 40% interest in the Needles Gold/Silver Property in Nye County Nevada; (c) an Option Agreement whereby PMI can earn an additional 40% interest in the Needles property taking the total earned interest to 80% by spending US \$250,000 on the Needles Property exploration program over a period of three years; and (d) an election for the Company to contribute expenditure via a JV to maintain its 20% in the Needles JV or diluted as defined by dilution terms in the Needles JV agreement if PMI or its nominee exercises its Option subject to the successful fulfilment of the Option obligations following the Option period.

Due to poor economic conditions and commodity pricing affecting the industry, the Company recorded a write-down of \$119,865.

9. Shareholder's Equity/Deficiency

(a) Share capital

Authorized - 500,000,000 common shares, no par value.

On March 11, 2014, the Company's shareholders approved a 1 for 30 consolidation of its outstanding common shares effective September 29, 2009 (the day on which the Company's common shares began trading on the TSX Venture Exchange under the symbol GKR). In connection with the common share consolidation, the number of shares of the Company's common stock was reduced from 38,139,470 to 1,271,315 without any change in the value of the common shares outstanding on this date.

- (i) On April 30, 2014, the Company closed a non-brokered private placement (the "Financing") of units (the "Financing Units") for gross proceeds of \$925,000. The closing comprised 9,250,000 Financing Units at a price of \$0.10 per Financing Unit. Each Financing Unit consists of one common share in the capital of the Company (a "Share") and one half of a common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder to purchase one Share at \$0.15 until April 30, 2015 with an acceleration event if the Share price is greater than \$0.30 for a period of 20 consecutive trading days. In connection with the Financing, the Company paid \$86,700 and issued 867,000 Shares to certain arm's-length finders, being 10% of the proceeds raised and 10% of the number of Financing Units sold under the Financing to purchasers introduced by the finders.
- (ii) On September 27, 2013, Greenock completed a private placement for gross proceeds of \$25,000, through the sale of 5,000,000 common shares and 5,000,000 share purchase warrants, at an issue price of \$0.005 per share. Each warrant is eligible to purchase one common share at a price of \$0.05 per share for a period of 36 months. The warrants, after an allocation of a portion of the share issuance costs, were valued at \$9,375 using the Black-Scholes valuation model with the following inputs: Expected life – 3 years, annualized volatility – 175%, a risk free rate of 1.40%, share price of \$0.005 and exercise price of \$0.05. Greenock paid a finder's fee of \$1,600 cash and 400,000 warrants. Each warrant entitles the holder to acquire one common share at \$0.05 per share for 36 months. The warrants were value at \$1,200 using the same inputs as noted above. The Company also incurred an additional cash issuance cost of \$1,000 in association with the placement.

9. Shareholder's Equity/Deficiency (continued)

(b) Equity settled share based reserves

Share based payment plan

The Company has an employee stock option plan under which the Board of Directors, or a committee appointed for such purpose, may from time to time grant to employees, officers, directors of, or consultants to the Company, options to acquire common shares in such numbers, for such terms, and at such exercise prices, as may be determined by the Board of Directors or such committee. The options are valid for a maximum of 5 years from the date of the issue. Vesting terms are one-sixth after 3, 6, 9, 12, 15 and 18 month anniversaries of the date of the grant.

No options were granted during the years ended December 31, 2014 and 2013.

The changes in stock options for the years ended December 31, 2014 and 2013:

	Number	2014 Weighted Average Exercise Price Per Share	Number	2013 Weighted Average Exercise Price Per Share
Outstanding, beginning of year	240,000	\$ 0.46	555,000	\$ 0.83
Activity in the year				
Expired	(8,000)	(13.69)	(315,000)	(1.00)
30 to 1 share consolidation	(232,000)	(0.46)	-	-
Outstanding, end of year	-	\$ -	240,000	\$ 0.46
Options exercisable at year end	-	\$ -	240,000	\$ 0.46

Weighted average fair value of options granted during the period is \$nil (2013 - \$nil).

(c) Reserves for warrants

	Number	Year Ended December 31, 2014 Amount (\$)	Number	Year Ended December 31, 2013 Amount (\$)
Outstanding, beginning of year	6,320,000	\$ 23,157	920,000	\$ 12,582
Activity in the year				
Issued	4,625,000	228,299	5,400,000	10,575
30 to 1 share consolidation	(6,109,333)	-	-	-
Outstanding, end of year	4,835,667	\$ 251,456	6,320,000	\$ 23,157

9. Shareholder's Equity/Deficiency (continued)

(c) Reserves for warrants (continued)

The Company's share purchase warrants as at December 31, 2014 are as follows:

	Number of warrants	Exercise price	Expiry date
Issued April 30, 2014	4,625,000	\$ 0.15	April 30, 2015
Issued September 27, 2013	180,000	\$ 1.50	September 27, 2016
Issued May 7, 2012	30,667	\$ 3.00	May 7, 2015
	4,835,667		

10. Income Tax

The provision for income taxes for the years ended December 31, 2014 and 2013, are as follows:

	Years Ended December 31,	
	2014	2013
Loss before income taxes	\$ (211,276)	(122,858)
Statutory tax rate	26.50%	26.50%
Expected recovery of the income taxes	(55,988)	(32,557)
Non-deductible items	17,340	67,256
Change in valuation allowance	38,648	(34,699)
	\$ -	-

The Company's tax-effected deferred income tax assets and liabilities are estimated as follows:

	Years Ended December 31,	
	2014	2013
Non-capital losses carried forward	1,320,038	1,388,714
Less: Valuation allowance	(1,320,038)	(1,388,714)
	-	-

The Company has non-capital losses of \$4,981,276, which may be carried forward to reduce taxable income in future years. The non-capital losses expire as follows:

2026	1,096,000.00
2027	730,000.00
2028	615,000.00
2029	289,000.00
2030	530,000.00
2031	474,000.00
2032	912,000.00
2033	124,000.00
2034	211,276.00
	4,981,276.00

11. Promissory Note Payable

Effective September 20, 2011, for value received, the Company's subsidiary PTM Minerals (Cayman) Ltd. (the "Borrower") acknowledges itself indebted and promises to pay to or to the order of Precious Metals Investments Limited, having an office at Level 5, 17-19 Bridge Street Sydney NSW (the "Lender") the principal sum of US \$250,000 (the "Loan"), together with interest computed on the outstanding daily principal balance of the Loan, at the rate of 15.00% per annum, calculated monthly, not in advance as well as before maturity, default and judgement and on overdue interest, which Loan is repayable in full on the date that is 120 Days (the "Maturity Date") from the date of this Promissory Note. The Company has not received any value or compensation to provide a Guarantee for the Borrower. The fair value of the promissory note payable is \$234,687 as at December 31, 2013. This loan came due in January 2012. The terms of this loan are in dispute with the lender. On February 13, 2012 Precious Metals Investments Limited filed a Statement of Claim against the Company requesting payment of the Promissory Note. The Company filed a Statement of Defense on April 23, 2012, that the Company is not liable under the Promissory Note and Guarantee. Precious Metals Investments Limited filed an Amended Statement of Claim on June 14, 2012 and the Company filed an Amended Statement of Defense on September 10, 2012.

On March 24, 2014, the TSX Venture Exchange has accepted for filing, a letter agreement dated March 17, 2014, between the Company and Precious Metals Investments Limited ("PMI"), whereby the parties have completed a settlement arrangement for a US \$250,000 Promissory Note held by the Company's wholly owned subsidiary PTM Minerals (Cayman) Ltd. to PMI. The settlement includes: (a) the issuance of 33,334 common shares at a deemed price of \$0.15; (b) an assignment to PMI of a direct 40% interest in the Needles Gold/Silver Property in Nye County Nevada; and (c) an Option Agreement whereby PMI can earn an additional interest in the Needles property by spending US \$250,000 on the Needles Property exploration program over a period of three years.

12. Financial Instruments

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

(a) Financial risk

Credit risk

The Company's credit risk is primarily attributable to cash, which comprised deposits with a chartered Canadian bank, and sundry receivable which is made up of GST/HST recoverable from the government of Canada. The Company has no significant concentration of credit risk arising from operations.

Liquidity risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations when they become due, or can only do so at excessive cost. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. The Company is actively searching for financing to fund its operations and exploration programs through 2014.

(b) Market risk

Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Company has cash balances and interest-bearing debt. The Company is exposed to interest rate risk on the related party loans which bear interest at variable rates. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates and other low risk investments.

Foreign currency risk

Certain of the Company's financial assets are denominated in United States dollars. Accordingly, the Company is exposed to financial gain or loss as a result of foreign exchange movements against the Canadian dollar. Management believes the foreign exchange risk deriving from currency conversions is negligible and therefore

12. Financial Instruments (continued)

(b) Market risk (continued)

does not hedge its foreign currency risk. To manage the foreign exchange rate risk the Company avoids holding any significant balances in foreign currencies that gives rise to exposure to foreign exchange risk.

Price risk

The Company does not have any equity investment and is therefore not exposed to price risk with respect to equity price. The Company is an exploration stage company and has no production or revenue and is not exposed to risk with respect to commodity prices.

(c) Fair value hierarchy and liquidity risk disclosure

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at December 31, 2014.

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$316,047	-	-	\$316,047

(d) Sensitivity analysis

The Company has designated its cash and cash equivalents as fair value through profit or loss, which is measured at fair value. Financial instruments classified as loans and receivables are measured at amortized cost. Accounts payable and accrued liabilities, classified as other financial liabilities, are measured at amortized cost.

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve month period.

Cash and cash equivalents include liquid investments which are at variable rates. Sensitivity to a plus or minus 1% change in rates would affect net loss by an insignificant amount.

The Company does not hold significant balances in foreign currencies to give rise to exposure to foreign exchange risk. Price risk is remote since the Company is not a producing entity.

13. Segmented Information

Greenock is in the business of mineral exploration and evaluation in the country of Democratic Republic of Congo and the United States. As such, management has organized the Company's reportable segments by geographic area. The American and Congolese segments are responsible for that country's mineral exploration and evaluation activities while the Canadian segment manages corporate head office activities. Information concerning Greenock's reportable segments is as follows:

13. Segmented Information (continued)

December 31, 2014				
	Canada	Congo	United States	Total
	\$	\$	\$	\$
Current assets	332,975	-	-	332,975
Non-current assets	-	-	1	1
Total assets	332,975	-	1	342,976
Net income (loss) for the period	(211,276)	-	-	(211,276)

December 31, 2013				
	Canada	Congo	United States	Total
	\$	\$	\$	\$
Current assets	7,624	-	-	7,624
Non-current assets	3,598	10,000	198,968	212,566
Total assets	11,222	10,000	198,968	220,190
Net loss for the year	118,952	3,906	-	122,858

14. General and Administrative Expenses

For the years ended December 31	2014	2013
	\$	\$
Management	-	60,000
Director fee recovery	-	(39,500)
Stock exchange fees	12,520	5,020
Consulting	159,902	-
Rent	17,900	15,094
Office and administration	19,060	10,468
Legal, audit and accounting	45,563	47,099
Amortization	-	1,111
Insurance (recovery)	(1,030)	8,315
Transfer agent and shareholder communication	13,736	15,071
	267,651	122,858

15. Subsequent Events

No subsequent events during the year.